



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Purchase of an Electronic Meter Reading System

MEETING DATE: June 5, 1991

PREPARED BY: Finance Director

RECOMMENDED ACTION: That the City Council adopt the attached Resolution authorizing the purchase of:

1. The electronic meter reading system from Itron Corporation for the amount of \$38,023; and
2. The associated costs of a personal computer (PC) and printer from IBM Corporation for the amount of \$5,500 (\$4,550 for the PC and \$950 for the printer).

BACKGROUND INFORMATION: As was presented at the council shirtsleeve Session on May 21, 1991, the 1990-91 Budget contains an appropriation of \$43,790 for the purchase of an electronic meter reading system including hardware, software, training, maintenance and support. This system will be used by the Finance Department to increase efficiency and accuracy in the areas of meter reading and billing.

This project was budgeted in the 1989-90 Budget but was placed on hold pending the change in the City's computer system. The conversion to the AS-400 has begun, and the purchase of this system is now appropriate.

Four vendors responded to the "Request for Proposal" (RFP). A committee was formed to analyze the information received from the vendors. An Evaluation Summary was formulated based upon the specifications required by the City.

All proposals were evaluated based upon responses to the RFP and upon followup questions posed to the vendors and their clients. Telephone calls were also made to other utilities which have installed these systems.

The electronic meter reading system receiving the highest evaluation rating was Itron Corporation. Staff rated the Itron system higher than the other vendors in all of the following areas: Vendor, Hardware, Software, Implementation and Training, Maintenance and Support and Management Reporting.

APPROVED: _____

THOMAS A. PETERSON
City Manager

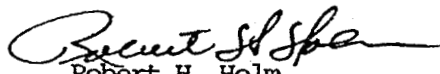


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Itron demonstrated the highest conformance with the City's RFP. Itron is a utility oriented firm with an extensive client list and 65 percent of the market for electronic meter reading systems. The hand-held device for this system is designed with the Meter Reader in mind. Single key entry of information is emphasized which eliminates the need to memorize any codes. Itron is the only vendor that employs two levels of validity checks on meter readings. This firm has established an excellent reputation for implementation and training as well as maintenance and support after the purchase. The Itron devices are the most easily adapted for future expansion and enhancement to the city's existing meter reading system.

An Annual Cost Savings and Payback Time Frame has been attached to assist in the cost justification process for the electronic meter reading system (see Exhibit A). The PC and printer purchase from IBM Corporation is a separate cost. This purchase from IBM Corporation is in line with the objective of standardizing the computer equipment in the Finance Department.

FUNDING: Previously appropriated in the 1990-91 Budget; no additional funds required.


Robert H. Holm
Finance Director

RHH:DLW:ss

Attachment: Exhibit A

Prepared by Diana L. white, Assistant Finance Director

CITY OF LODI
ELECTRONIC METER READING SYSTEM
ANNUAL COST SAVINGS AND PAYBACK TIME FRAME

I. Annual Cost Savings:

▪ Purchase and Printing of Meter Reading Documents	\$ 1,080
▪ Data Entry and Editing	14,311
▪ Storage of Meter Reading Documents	180
▪ Elimination of Rereads	6,510
▪ Customer Accounting/Services	21,708
Total Annual Cost Savings	<u>\$43,789</u>

11. Payback Time Frame:

Using 75% of the \$43,789 Total Cost Savings Figure - \$32,842

<u>\$38,023</u>	-	<u>\$32,842</u>	-	<u>14 Months</u>
System Cost		Annual Cost savings		Payback Time Frame

NOTE: Does not include the one-time cost savings for read-to-bill time reduction.

RESOLUTION NO. 91-103

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE PURCHASE OF
AN ELECTRONIC METER READING SYSTEM

WHEREAS, in response to notice duly published in accordance with law and the order of this City Council, proposals to furnish an electronic meter reading system Were received and opened on April 19, 1991 at 2:00 p.m. as described in the "Request for Proposal" therefore approved by the City Council on March 20, 1991; and

WHEREAS, said proposals have been compared and evaluated by staff resulting in the following:

<u>Vendor</u>	<u>Evaluation Score</u>	<u>Cost</u>
Itron Corporation; Spokane, WA	100	\$38,023
Radix Corporation; Salt Lake City, UT	53	27,089
Syscon Corporation; San Diego, CA	57	26,376
Datamatic Corporation; Richardson, TX	49	24,052

WHEREAS, Datamatic Corporation did not meet the proposal specifications; and

WHEREAS, the City Manager and Finance Director recommend the authorization to purchase an electronic meter reading system be made from the Itron Corporation whose proposal best meets the specifications as is evidenced by the evaluation score; and

WHEREAS, the purchase from Itron Corporation would be in the best interest of the City as authorized by the Lodi Municipal Code, Section 3.20.070.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that authorization to purchase an electronic meter reading system be made from Itron Corporation in the amount of \$38,023 and the authorization to purchase the associated personal computer and printer from IBM Corporation in the amount of \$5,500.

Dated: June 5, 1991

I hereby certify that Resolution No. 91-103 was passed and adopted by the Lodi City Council in a regular meeting held June 5, 1991 by the following vote:

Ayes: Council Members - Pennino, Pinkerton, Sieglock and Snider

Noes: Council Members - None

Absent: Council Members - Hinchman (Mayor)

Jennifer M. Perrin
for Alice M. Remche, City Clerk

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